

PHILIP MORRIS U.S.A.

INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, N.Y. 10017

TO: Circulation
FROM: R. Stirlen
SUBJECT: THE MERIT REPORT

DATE: September 2, 1982

At the present time, the Merit Report contract with Audits & Surveys runs from September 1, 1981 through September 1, 1982. We plan to continue the Merit Report in its present format through the end of the year and through at least 1983 using a somewhat revised format.

Because of this revised format, it is likely that our letter of agreement with A&S for 1983 will contain somewhat different terms than the current agreement. I would estimate that we will be ready to finalize this 1983 document by the end of October.

However, in order to maintain smooth operations, we need to extend the current agreement through the end of this year. Attached is a copy of a letter drafted by Carl Adkins covering this extension, plus a copy of the original agreement. The only change from the original is an approximate 7% increase in the cost per national/local interviewing wave from \$17,770 to \$19,000 (for national interviewing only, the increase will be 11% from \$15,835 to \$17,515). This increase will be in effect for eight waves this year, for a total increase for 1982 of \$11,160. We believe that this increase is justified and Diane Iozzo feels that this cost element will remain substantially unchanged for 1983 (provided we do not alter the activities involved in each wave).

Given you have no problems, I will sign this extension when I get back on September 13. However, since Jim Morgan signed the original agreement, it may be necessary or desireable for him to sign the extension.

I will wait for your advice on this.

RS/ra

Circulate to:

T. Keim _____

R. Fitzmaurice _____

C. Gillis (last) _____

cc: D. Iozzo (memo only)

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